



**COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION/LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101

**SALLY R. REED**  
CHIEF ADMINISTRATIVE OFFICER

November 30, 1994

To: Each Supervisor

From: Sally R. Reed  
Chief Administrative Officer

*William F. Stewart*  
William F. Stewart, Director  
Internal Services Department

Subject: **LOS ANGELES COUNTY CLEAN FUELS POLICY**

Pursuant to Board instruction of September 20, 1994, this office and the Internal Services Department have jointly developed the attached County Clean Fuels Policy. A summary of the implementation plan is also included.

If you have any questions, or need any additional information, please call us, or your staff can contact Ms. Chrys Varnes, Senior Deputy Director, Internal Services Department, at (213) 720-6801.

SRR:WFS  
mmg19

Attachment

c: Executive Officer, Board of Supervisors

# **SUMMARY OF PLAN FOR IMPLEMENTATION OF A CLEAN FUELS PROGRAM**

**November 30, 1994**

## **BACKGROUND**

On September 20, 1994, the Board of Supervisors adopted a motion directing the CAO and ISD to develop a strategic plan, including costs and funding sources, to implement a County Clean Fuels Policy.

## **PROPOSED IMPLEMENTATION PLAN**

### **1. Policy**

To implement a Clean Fuels Program, the Board of Supervisors should adopt a policy, directing departments to:

- review the feasibility of using clean fuel vehicles whenever new vehicles are purchased,
- evaluate the feasibility of converting existing vehicles to clean fuels, and
- pursue available funding for clean fuel acquisitions/conversions.

### **2. Procedure**

A simple procedure for carrying out the policy should be implemented to minimize administrative costs. For example, when a department finds that it is not feasible to purchase a clean fuel vehicle, a request justifying exemption from the policy should be submitted to the CAO. This approval process is similar to the previous procedure used to reduce the size of the County's fleet which provided the necessary oversight and direction.

### **3. Funding Sources**

A list of known funding sources will be maintained by ISD and published periodically to help departments to obtain funds to defray the cost of conversion and/or acquisition.

### **4. Proposed Clean Fuels Program**

Attached is a Clean Fuels Program proposed for adoption by the Board of Supervisors.

**PROPOSED  
COUNTY OF LOS ANGELES  
CLEAN FUELS PROGRAM**

**Effective January 1, 1995**

**PURPOSE**

This policy is established in an effort to improve air quality in the South Coast Basin through the expanded use of clean fuels in conjunction with other County-sponsored environmental programs and to the extent financially feasible.

This policy will be implemented through the conversion and replacement of County fleet vehicles with viable alternative fuels. The short term goal is to transition a minimum of 15% of the County's fleet to clean fuels within 36 months of adoption by the Board of Supervisors. The long term goal is to transition as many vehicles to clean fuels as possible within the limits of service delivery requirements and funding capabilities.

**POLICY**

It is the policy of the County of Los Angeles to transition its motor vehicle fleet to viable clean fuels as approved by the California Air Resources Board. Transition to clean fuel will be based on the use of the vehicle, availability of fuel, and funding. The Clean Fuels Policy shall be executed in compliance with the following guidelines:

1. Each department head shall be responsible for implementation of the Clean Fuels Policy within his/her department.
2. Wherever possible new vehicle purchases will be clean fuel vehicles. A request for exemption from the Clean Fuels Policy shall be submitted to the CAO whenever a gasoline/diesel vehicle is requested for purchase.
4. Implementation of the Clean Fuels Policy shall depend on the financial resources available to the County. Departments shall pursue funding available from a variety of sources and may work with other public/private agencies to share resources, coordinate efforts, and apply jointly for available funds.

**PROCEDURES**

1. Each department head shall be responsible for complying with the Board-adopted Clean Fuels Policy. Departments shall maintain statistical information, relative to their use of clean fuel vehicles.
2. When a department finds that it is not feasible to purchase a clean fuel vehicle, a request justifying exemption from the policy shall be submitted to the CAO.

3. A list of potential funding sources for conversion or acquisition of clean fuel vehicles shall be maintained by ISD. (Attached is a list of currently known sources).
4. Departments shall report to the Board of Supervisors by March 1 each year, beginning March 1, 1996, the composition of their fleet and their progress towards the 15% clean fuel vehicle goal.

Attachment



## **AUTOMOTIVE MILEAGE FLEET CLEAN FUELS STUDY**

### **FUNDING SOURCES FOR CLEAN FUEL VEHICLES**

The following are funding sources for clean fuel vehicle programs that are available to the County:

1. **MOTOR VEHICLE SURCHARGE REGISTRATION FEE (AB 2766)**

**Funding Source:** Air Pollution Control Districts (APCD) in non-attainment areas distribute funds made available from a California Department of Motor Vehicles registration surcharge.

**Eligibility:** Local governments, government agencies, private sector business, and research institutions. Partnerships and coalitions are preferred.

**Criteria:** Light-duty (up to 10,000 lbs. gvwt) and medium-duty (10,000 to 26,000 lbs. gvwt) vehicles

**Funds Available:** Any air district that has not attained State and Federal air quality standards is authorized to collect an annual surcharge of up to \$4 per vehicles. The estimated total available annual revenue statewide is approximately \$80 million. Each APCD has a different funding level.

#### **Facts**

The County receives a direct grant averaging \$1 million each year. Funds for FY 1994-1995 have been earmarked by the CAO and are not available to County departments for this period.

Last year, \$3 million was earmarked specifically for alternative fuel projects. RFPs are usually issued in July of each year. ISD, in partnership with other agencies, has successfully been awarded funds under this funding source (\$170,000 in 1992 and \$132,000 in 1993).

Historically, competition for these funds has always been intense. Less than 25 percent of the proposed projects were funded last year. Funds will most likely go to proposals that offer the greatest reduction in vehicle emissions, have multiple agencies or groups as participants, and have significant co-funding. Requests to fund activities that result in otherwise-required compliance with clean air rules are not encouraged. During the evaluation, additional points are awarded to projects that involve minority, women, and disabled veteran-owned businesses.

Contact: Mr. Ray Gorski  
Science Applications International Corp.  
(909) 396-2479

2. LIGHT-DUTY AND MEDIUM-DUTY NATURAL GAS VEHICLE DEMONSTRATION PROGRAMS

Funding Source: California Energy Commission

Eligibility: Public or private fleets

Criteria: Light-duty (up to 10,000 lbs. gvw) and medium-duty (10,000 to 26,000 lbs. gvw) vehicles

Funds Available: This year, \$500,000 was available for the light-duty program and \$600,000 for the medium-duty program. Funding levels and appropriate descriptions for FY 1995 have not been determined.

Facts

Each year, the CEC designates a certain amount of money allocated for sponsoring alternative fuel vehicle programs. The types of programs that the CEC sponsors and levels of funding each receives varies from year to year.

Currently, the light-duty program provides funds in the form of rebates to defray the cost of conversion to natural gas or the incremental cost of purchasing natural gas vehicles. The CEC provides a \$1,000 rebate for all vehicles which are CARB-certified as Low Emission Vehicles (LEVs) and a \$1,500 rebate for those certified as Ultra-Low Emission Vehicles (ULEVs).

Last year, the CEC received 22 proposals and 10 were selected to receive funding. CEC funds were used to cover material costs for engine conversion or replacement in medium-duty trucks and participants had to cover labor and installation expenses. Participating fleets are required to maintain accurate records accessible for public study.

Contact: CEC Transportation Technology and Fuels Office  
(916) 654-4634

3. TRANSPORTATION ENERGY TECHNOLOGIES ADVANCEMENT PROGRAM (TETAP)

Funding Source: California Energy Commission

- Eligibility:** Public or private entities, partnerships or consortiums preferred
- Criteria:** Transportation technologies designed to reduce emissions, increase energy efficiency, and/or substitute alternative fuels in place of petroleum.
- Funds Available:** In 1993 to 1994, \$2.2 million were available, with a \$700,000 preferred maximum per project.

### Facts

Projects funded under this program are geared toward research and development projects. Because of the following concerns and drawbacks, there will be very little opportunity for the County to seek these funds:

- . Equipment purchased with CEC funds become the property of the CEC at the conclusion of the project. The CEC then generally tries to sell such equipment at a fair market price.
- . The RFP is very complicated and proposals must contain significant scientific and technological information, relevant economic benefits, emissions impacts and fuel substitution benefits.
- . Proposer must co-fund at least 50 percent of total project costs.
- . Proposer must repay CEC funds if technology demonstrated becomes a commercial success within five years of project completion.

**Contact:** Ms. Judith Eghan  
California Energy Commission  
(916) 654-4392

#### 4. INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT (ISTEA)

- Funding Source:** U. S. Department of Transportation, under the ISTEA. Funding authorized from the Highway Trust Fund.
- Eligibility:** These funds are usually granted only to public agencies, however, if a private company obtains public sponsorship or enters into a contractual arrangement with a public agency, then funds may be directed to the private sector.



**Criteria:** Projects that help to implement transportation control measures (TCMs) as defined in section 108(f)(1)(a) of the Clean Air Act Amendment (CAAA) of 1990.

**Funds Available:** CMAQ provides \$6 billion nationwide for the 1992 to 1997 time frame or about \$1 billion per year. Each state is guaranteed at least 0.5% of the annual CMAQ apportionment. The rest of the CMAQ funds are distributed to states for areas in ozone and carbon monoxide non-attainment, based on a legislative formula specified in ISTEA. STP provides about \$23.9 billion over the same six-year period, and the money is distributed using a similar process.

### Facts

The focus of the CMAQ is on funding capital improvements which provide tangible improvements in air quality such as car pool lanes and other transit programs.

However, the conversion or replacement of centrally-fueled fleets to alternative fuels is eligible, provided that the fleet is publicly owned and operated and that the fleet conversion is in response to a specific requirement in the Clean Air Act Amendments (CAAA) or identified in the State Implementation Plan (SIP) as part of the emissions reduction strategy of a non-attainment area.

All CMAQ and STP funds for Los Angeles County have already been programmed through Fiscal Years 1996 and 1997. An RFP and application package will be issued in early January 1995 for apportionment of funds anticipated for Fiscal Years 1998 and 1999.

**Contact:** Mr. Mike Savonis  
Federal Highway Admin.  
Washington, D.C.  
(202) 366-2080

Mr. Bob O'Laughlin  
Federal Hwy. Admin., Region 9  
San Francisco  
(415) 744-3823

### 5. SB 2297 FUNDS

**Funding Source:** SB 2297 authorized counties within the SCAQMD to adopt a one dollar vehicle registration fee, administered by the SCAQMD to support clean fuel incentive programs. The funds are reviewed by a Technical Review committee, which includes County representation.



Eligibility: Private, public and municipal agencies

Criteria: Proposals to expedite the development and demonstration of clean mobile sources, focusing on clean fuel alternatives to petroleum fuels.

Funds Available: Approximately \$4 to \$5 million per year

Facts

This program supports the development and implementation of mobile source projects and demonstrations. The object is to expedite the development and demonstration of clean mobile sources. Clean mobile source technologies focus on clean fuel alternatives to currently available liquid petroleum fuels. The clean fuel alternatives include methanol, CNG, propane, LNG, and electric vehicles.

Contact: Mr. Paul Wuebben, Clean Fuels Officer  
Southern California Air Quality Management District  
(909) 396-2000

6. SOUTHERN CALIFORNIA GAS COMPANY PROGRAM

Funding Source: Southern California Gas Company (SoCalGas)

Eligibility: Public, private and municipal agencies

Criteria: Dedicated CNG and/or CARB-approved vehicle conversion systems purchased after January 1, 1994

Funds Available: Funding ranges from \$1,700 to \$7,000 depending on vehicle type and weight, not to exceed 50% of the incremental OEM/conversion cost.

Facts

SoCalGas Company has embarked on an ambitious compressed natural gas (CNG) vehicle market development program to help advance CNG technology. This program includes:

Seventy-two natural gas fueling stations operating throughout Southern California by the end of December 1994. (Currently, fifty stations are in operation, including one at the Eastern Avenue County automotive center.)

Forecast that over 180,000 CNG vehicles will be on the road in the Southern California area by the year 2000.

Terms and conditions of this program may change pending approval of SoCalGas LEV Application A.93-11-004 by the California Public Utilities Commission.

7. • OTHER POSSIBLE FUNDING SOURCES

In addition to the funding sources profiled, there are a number of more restrictive, less certain options that are reviewed as follows:

Defense Conversion

The Advanced Research Projects Agency (ARPA) provides funding for "defense conversions, reinvestment, and transition assistance," which may be used to obtain clean fuel vehicles and fueling stations. In 1993, the majority of these funds were directed for use on military bases. However, ARPA is likely to broaden its funding to other fleet operations in 1994.

If funding does become available, it is likely that it will be allocated to large programs and/or consortia. ARPA will also likely require some level of match funding from the proposing organization.

Contact: CALSTART (a public/private entity dedicated to developing a clean fuel vehicle industry in California)  
(818) 565-5600

CNG Van Pool Program

Each year, Caltrans District 8 receives an allocation from the federal government to support the purchase of car pool natural gas vehicles by public agencies in the Los Angeles, San Bernardino, and Riverside areas. All of the \$1.7 million for 1993 and the \$700,000 for 1994 have already been committed. The amount available varies significantly from year to year. There is no formal process for allocating these funds.

Contact: Rich Dennis  
Caltrans  
(909) 383-6324

EPACT Programs

A variety of programs were authorized under the Federal Energy Policy Act of 1992, but the funds have not yet been appropriated to these programs. Two such programs may provide funding for clean fuel vehicle purchase or conversion in the future. First, the U. S. Department of Transportation (DOT) was designated as the administrator of low-interest loan programs for meeting alternative fuel vehicle costs, including potential programs where conversion cost can be paid for from fuel cost savings. Second, the Department of Energy (DOE) has been authorized to create an Alternative Fuel Bus Program.

Contact: U. S. DOT  
(202) 366-4000

U. S. DOE  
National Alternative Fuels Hotline  
(800) 423-1DOE

Los Angeles County Propositions A and C

Los Angeles County has two measure, Propositions A and C, that provide funding from sales tax revenues to improve transit service and operation, reduce traffic congestion, improve air quality, efficiently operate and improve the condition of the streets and freeways utilized by public transit, and reduce foreign fuel dependence. County subsection of the CMAQ and STP sections of this guide. Public Transit Operators and local jurisdictions may apply for these funds.

Contact: David Yale  
Los Angeles Metropolitan Transportation Authority  
(213) 244-6437